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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/072,379	02/05/2002	Bruce A. Bennett	020375-006200US	2556
20350	7590	10/02/2003	EXAMINER	
TOWNSEND AND TOWNSEND AND CREW, LLP			LEE, DIANE I	
TWO EMBARCADERO CENTER			ART UNIT	
EIGHTH FLOOR			PAPER NUMBER	
SAN FRANCISCO, CA 94111-3834			2876	

DATE MAILED: 10/02/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	10/072,379		BENNETT ET AL.	
	<b>Examiner</b>		<b>Art Unit</b>	
	D. I. Lee		2876	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_\_.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 05 February 2002 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All   b) ☐ Some \*   c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s). _____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                               | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449) Paper No(s) <u>4/22/02</u> . | 6) <input type="checkbox"/> Other: _____.                                   |

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### DETAILED ACTION

1. Claims 1-19 are presented for examination.

#### *Specification*

2. The abstract of the disclosure is objected to because of the following(s):
  - (a) Line 1: "comprises" should be changed to --includes--. Correction is required. See MPEP § 608.01(b).

#### *Drawings*

3. The drawings are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the following claimed subject matter must be shown or the feature(s) canceled from the claim(s):
  - (a) a record including the identification information, a date and time of destruction, and operator information, as recited in claims 11 and 18; and
  - (b) a magnetic strip on the card, as recited in claim 19.

No new matter should be entered.

A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

#### *Claim Rejections - 35 USC § 103*

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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5. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

6. Claims 1-10, 12-17, and 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nagaoka [JP 2001-148070A] in view of Chang [US 6,550,701] and Vulcano [US 4,447,715].

Re claims 1-3, 6, 8-10, and 12-17: Nagaoka teaches a card destruction system comprising:

a reader that is configured to read identification information from the card (a card reader 7 reads the information of the prepaid card C, such as amount stored therein);

a controller 9 that is coupled to the internal components for control/communication, wherein the controller is configured to receive the identification information (i.e., the remaining balance of the prepaid card) and to determine whether the card is to be destroyed (determined whether the remaining amount of the card is detected as zero, and based on the detected result, the card is thrown out on a belt of a conveyor, see the abstract);

a card destruction device (shredder 16) that is configured to receive and destroy cards (the card is thrown out on a belt of a conveyor toward a shredder 16, see the abstract);

a card insertion sensor 8 and a card output sensor 10 for specifying the time limit for judging the card and wherein the card is judged to have zero balance, the card is transferred to belt of conveyor 12 through the shredder 16. Thus, the insertion sensor 8 to sense when the card has entered the moving system, and the output sensor 10 to sense when the card has exited the reader and provides the function of

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claimed switch that is disposed along the moving system downstream of the reader to direct movement of the card to the destruction by the controller, i.e., when the card is judged to have zero balance.

Although Nagaoka teaches that the controller 9 is coupled to all internal components for their control/communication, which obviously teaches that the delivery sensor coupled to the controller to sense when the card is delivered from the insertion slot to the output section of the card unit, then controller route the card to the shredder for destruction of the card when the card's position is detected by the output sensor 10 and the balance remained on the card is judged to have zero;

Nagaoka does not explicitly teaches that the delivery sensor to sense when the card is delivered to a card destruction device.

Chang discloses a medium shredding machine having a medium delivery sensor 16, 17 to sense when the card is delivered to a card destruction device for controlling the activation of the shredder (see col. 3, lines 39+).

It would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to incorporate the delivery sensor, as taught by Chang, in the system of Nagaoka, in order to provide the selective controlling of the shredder within the system, such as selectively activating the shredder, in order to minimize the power consumption of the system.

Although Nagaoka as modified by Chang teaches the conveyor as a moving system; Nagaoka as modified by Chang does not teach the moving system comprises a plurality of rollers, at least some of which are rotatable in opposite directions to move the card between the rollers, a feed mechanism feeding individual cards from a stack of card to the moving system, and the controller is further configured to produce a record of the destruction based on a signal from the sensor.

Vulcano discloses a machine for sorting medium having an optical reader to read the indicia on the medium for controlling the sorting function, which includes shredding the medium. The machine includes the moving system (a transport path 14) having a plurality of rollers, at least some of which are rotatable in opposite directions to move the medium between the rollers (see figure 1A), a feed

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mechanism 18 that having a feed hopper 26 is configured to feed individual cards from a stack of card to the path of the moving system (see figure 1A), and a controller that recognized the medium being sorted and wherein the controller performs all housekeeping functions (see col. 10, lines 7+).

It would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to incorporate the plurality of rollers in the moving system of Nagaoka as modified by Chang in order to provide a close contact with the card to provide a greater gripping to reduce a slippage while transporting the card, incorporate a feed mechanism feeding individual cards from a stack of card to the moving system, as taught by Vulcano, in the systems of Nagaoka as modified by Chang in order to provide a system that accepts large quantity of the cards at one time for individually advancing the cards to the path of the moving system, and further incorporate the housing keeping function into the system of Nagaoka as modified by Chang in order to obtain the accurate prepaid card account information.

Re claims 4 and 5: Although Vulano utilizes stepping motor for operating the rollers, which is a DC motor, Nagaoka as modified by Chang and Vulano does not explicitly teaches DC motor to rotate certain ones of the rollers that are associated with the reader and an AC motor to rotate the rollers that are upstream and downstream of the reader.

The fact that Nagaoka teaches the insertion sensor 8 and the output sensor 10 for specifying the time limit for judging the card and wherein the card is judged to have zero balance, and based on the result of the judgment, the card is card is convey through the shredder or reverse the direction of the travel to one of recovery box and classification box 15 and since it is well-known that DC motor provides greater control in speed and direction of component, it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to provide DC motor in the transport system of the reading operation (i.e., the transport system of the card judging section, in the system of Nagaoka as modified by Chang and Vulano, in order to provide greater manipulation in controlling the speed and direction of the card and provide an AC motor to rotate the rollers that does not require to



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control the speed and the direction of the roller, i.e., upstream and downstream of the reader within the system, for AC motor is easier to maintain.

Re claim 7: Vulano teaches the feeding mechanism includes a cam that is operable based on a signal from a stack of cards to the moving system (see col. 3, lines 2+). It would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to incorporate cam that is operable based on a signal from a stack of cards to the moving system to control the forward movement of individual card to the moving system and thus prevents multiple cards being feed into the moving system at one time.

Re claim 19: Although Nagaoka does not explicitly stages that the card reading includes reading the identification information from a magnetic stripe on the card, it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to recognized that reader of Nagaoka reads the identification information from a magnetic stripe on the card since it was known in the card that typical prepaid card encodes the account data in the magnetic stripe.

### ***Double Patenting***

7. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

8. Claims 1-19 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-22 of copending Application No. 10/222,132.

Although the conflicting claims are not identical, they are not patentably distinct from each other because

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the claimed limitations in the instant application and the copending Application No. 10/222,132 both claims same invention differs only in the terminology, i.e., the instant application is a destruction system for a card, whereas the copending Application No. 10/222,132 is a destruction system for an item. It would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to recognize that the card is an item and/or item includes a card.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

#### *Allowable Subject Matter*

9. Claims 11 and 18 are be objected to as being dependent upon a rejected base claim, but would be allowable if rewritten to overcome the nonstatutory double patenting rejection, set forth in this Office action above and to include all of the limitations of the base claim and any intervening claims.

10. The following is a statement of reasons for the indication of allowable subject matter: the best prior art of the record, Nagaoka, Chang, and Vulano alone or in combination with other references, fails to teach the specific record produced by the controller includes the identification information, a date and time of destruction, and operator information, as set forth in the claims.

#### *Conclusion*

11. The following prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Snyder [US 4,828,188], Omura et al. [US 5,012,932], Endo [JP 10-057601], and Briane et al. [US 4,864,114] discloses a card handling system.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to D. I. Lee whose telephone number is 703-306-3427. The examiner can normally be reached on Monday through Thursday from 5:30 AM to 4:00 PM.



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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on 703-305-3503. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-0956.

  
D. I. Lee  
Primary Examiner  
Art Unit 2876

D. L.